

LNF & IHCIF Calculations Illustration

- Kickapoo / Iowa of OK in Oklahoma area -

Given Data

- 6,978 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 18% = % Expenditures on purchased services, 82% = % expenditures in-house
- 94.4% = Cost index for purchasing health care in this geographic area
- 107.9% = Size cost index for in-house costs due to small or large size
- 96.9% = Oklahoma area cost index for health status above or below average

Cost Adjustment Calculations

- \$496 per person for purchased services = $18\% * 94.4\% * \$2,980$
- \$2,647 per person for in-house services = $82\% * 107.9\% * \$2,980$
- \$3,144 per person total = \$496 (purchase) + \$2,647 (in-house)
- **\$3,047 per person total** adjusted for health status = $\$3,144 * 96.9\%$
- **\$2,302 per person net cost** = $\$3,047 - \745 Other resources (M&M&PI)

Existing Expenditures (for 6,978 users excluding wrap-around and collections)

- \$694 per person = local IHS allowance (excludes \$ for wrap-around)
- \$77 per person = expenditures elsewhere in Oklahoma area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$825 per person for OU users** = $\$694 + \$77 + \$54$

LNF Calculation

- **27.1% Gross LNF** = $\$825$ (expenditures) / $\$3,047$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **35.8% Net LNF** = $\$825 / \$2,302$ net cost ($\$3,047 - \745 other)

IHCIF Allocation

- \$3,882,149 = \$ to raise LNF% from 35.8% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$135,409 Allocation** = $\$3,882,149$ needed for 60% * 3.488% IHCIF fraction

Kickapoo / Iowa of OK Unmet Needs

- **\$16,063,353 Net Total Need** = 6,978 users * \$2,302 net cost
- **\$10,307,490 Net Unmet Need** = $(100\% - 35.8\% \text{ LNF}) * 6,978 \text{ users} * \$2,302 \text{ net cost}$